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STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

DAVID C. HOLLISTER
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OFFICIAL

E-mailed 07-16-04

Michigan Department of Labor and Economic Growth
Career Education Programs
GEAR UP
Policy Issuance No. 04-01
Index VI

Date: July 16, 2004

To: **GEAR UP Partner Directors:**
Detroit Public Schools,
Muskegon Public Schools,
Flint Community Schools/Central Michigan University

Subject: GEAR UP (GAINING EARLY AWARENESS & READINESS FOR UNDERGRADUATE PROGRAMS)
GEAR UP Michigan! **On-Site Monitoring Guide**

Programs Affected: GEAR UP Programs funded by the Higher Education Act

Rescissions: None

Background: Enacted in 1998, GEAR UP was signed into law as part of the Higher Education Amendments of 1998 (Public Law 105-244). *The mission of GEAR UP is to significantly increase the number of low-income students who are prepared to enter and succeed in post-secondary education.*

GEAR UP Michigan: Reaching the Urban Centers, targets three urban Public School Systems, Detroit, Muskegon and Flint. Local School Districts or designees targeted for GEAR UP services within the federal grant application serve as Fiscal Agents for this program. **Receipt of funding requires sites to report performance data and other relative information to evaluate program effectiveness. Data collection and reporting is required by the United States Department of Education.**

Policy: Fiscal Agents are responsible for local program operation and administration including maintaining program, student, parent, staff and financial records. Documentation must be maintained that supports adherence to regulations, guidelines, Policy Issuances, and/or contractual agreements set forth by the State of Michigan and the United States Department of Education. The attached On-Site Monitoring Guide (Attachment 1) has been developed to assist the State of Michigan in evaluating local Fiscal Agents for compliance to applicable Federal and State guidelines in the administration of GEAR UP Michigan! funds.

Action: Local GEAR UP Fiscal Agent officials shall complete questions within the On-Site Monitoring Guide (Attachment 1) to be made available along with key GEAR UP staff and all documentation and records to support information provided at scheduled State of Michigan monitoring visits. All supporting documentation and information provided within the On-Site Monitoring Guide will be reviewed and evaluated by the State of Michigan GEAR UP officials during on-site monitoring visits. On-site monitoring and review of GEAR UP program records may encompass all years the GEAR UP program has been in existence.

Any corrective actions required as a result of the On-Site Monitoring Visit must be completed by the local GEAR UP Fiscal Agent and submitted in writing to the State of Michigan GEAR UP office within 60 days of

the completed action plan developed between the State of Michigan and the local GEAR UP site. Completed corrective actions may be submitted by means of the Internet E-mail system to beamishm@michigan.gov. All corrective actions reports must have original signatures by the Certifying Official of the project. Original signature pages may be mailed to:

Mike Beamish, GEAR UP Project Director
Michigan Department of Labor and Economic Growth
201 N. Washington Square
Victor Building, 4th Floor
Lansing, Michigan 49813

Inquires: Questions regarding this policy issuance should be directed to Michael Beamish at (517) 241-6806 or beamishm@michigan.gov or Sheree Price at (517) 335-5846 or prices1@michigan.gov.

In accordance with the Americans with Disabilities Act, the information contained in this policy issuance will be made available in alternative format (large type, audio type, etc.) upon request to this office.

Expiration
Date: None

(SIGNED)

James Folkening
Director
Postsecondary Services

Attachment(s)

Attachment 1

Gaining Early Awareness and Readiness for Undergraduate Programs



**GEAR UP MICHIGAN!
On-Site Monitoring Guide**

**Program Period: Year 1 (September 1, 2001 – August 31, 2002)
Year 2 (September 1, 2002 – August 31, 2003)
Year 3 (September 1, 2003 – August 31, 2004)**



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

DAVID C. HOLLISTER
DIRECTOR

July 15, 2004

Dear GEAR UP Directors:

The GEAR UP On-Site Monitoring Guide has been developed to assist you in your administration of the GEAR UP Michigan! funds allocated to your program. The questionnaires, which are contained herein, have been formulated identifying certain minimum standards that are evaluated during a program review by the State of Michigan GEAR UP staff. While these questionnaires do not attempt to define every program regulation, guideline, Policy Issuance and/or contractual agreement set forth by the State of Michigan, they do attempt to carefully address critical areas necessary to be in compliance with the United States Department of Education guidelines for implementing GEAR UP programs.

Generally, a "YES" response to a question indicates that you are aware of or are meeting requirements; and a "NO" response would likely indicate that corrective action is necessary or clarification of the issue is required. If a "YES" response is provided, you should have records and/or other sources available for review by the GEAR UP Michigan! staff. If a "NO" response is provided, you should be prepared to discuss reasons for the response as well as provide a written corrective action plan to resolve the issue.

It is recommended that the various sections of the questionnaires be completed and approved by the individuals directly responsible for the particular area. One complete document should be completed and available for the On-Site Monitoring Visit. Prior to the on-site monitoring visit, each GEAR UP partner site will be provided with a date for the on-site visit and recommendations for who should participate and/or be available for the visit.

If fully utilized, the completed questionnaire can become a valuable administrative tool. For example, it may be used to:

- Identify areas requiring revision of policies and/or administrative controls.
- Serve as a checklist to determine progress being made toward accomplishing objectives in your yearly plan.
- Assist in developing strategies for improvement in programming.

If you require further information regarding items outlined in the following documents, please contact Michael Beamish, Project Director at (517) 371-1608 or Sheree Price, State Coordinator at (517) 335-5846.

GEAR UP Michigan! On-Site Monitoring Guide

TABLE OF CONTENTS

	Page
Program On-Site Monitoring Focus	4-9
Administrative.....	4-6
Programmatic/General	6-8
State Office Use Guide	9
Fiscal On-Site Monitoring Focus	10-18
Fiscal On-Site Instructions.....	10-11
General Fiscal Questions	11-14
GEAR UP-Related Fiscal Questions	14-18
Institution Summary/Evaluation of GU Fiscal Review	18
On-Site Scheduling Letter	19-20

State of Michigan
Department of Labor and Economic Growth
GEAR UP Michigan!
Program On-Site Monitoring Focus

GEAR UP Program: _____ **Year:** _____

GEAR UP Contact Person: _____ **Phone#:** _____

Period of Review: September 1, 2001 to August 31, 2004

Date of Visit: _____

***Note:** The state reserves the right to review a sample of supporting documents for each year of program operation.

I. ADMINISTRATIVE:

1. Identify the person/s; their title and telephone number responsible for providing administrative oversight and approval of reports for this program.

Name: _____ Telephone #: _____

Name: _____ Telephone #: _____

2. Does the individual who is ultimately responsible for this program review, approve and sign all reports completed by the program?

YES _____ NO _____

3. Have the following reports been submitted and approved by the State office for the current program year?

Year 3 Plan..... YES _____ NO _____

Year 3 APR..... YES _____ NO _____

Year 3 Final Report..... YES _____ NO _____

Scholarship Plan..... YES _____ NO _____

Quarterly Billings:

1st Quarter (August 15-Nov. 15)..... YES _____ NO _____

Submitted Date: _____

Due Date: _____

2nd Quarter (Nov. 16-Feb. 15)..... YES _____ NO _____

Submitted Date: _____

Due Date: _____

3rd Quarter (Feb. 16- May 15)..... YES _____ NO _____

Submitted Date: _____

Due Date: _____

GEAR UP On-Site Monitoring Focus

4. Are required reports usually submitted by the identified due date?
YES _____ NO _____
5. If you were unable to submit a report by the identified due date, did you submit to the State GEAR UP office a written request for an extension of the due date?
YES _____ NO _____
6. Documents at the GEAR UP site show that the program maintains financial and programmatic records for all years the program has been funded?
YES _____ NO _____
If no, why not?
7. Are all administrative, financial and operational records kept at designated central locations?
YES _____ NO _____
If no, why not?
8. Are student, financial and programmatic records maintained separately and clearly identified in the files?
YES _____ NO _____
9. Do individual student records document hours of participation in GEAR UP activities?
YES _____ NO _____
10. Do staff records document hours of staff development participation?
YES _____ NO _____
11. Records are kept that fully show:
- the amount of funds approved under the annual grant;
YES _____ NO _____
 - how funds are used;
YES _____ NO _____
 - the total program fiscal year cost of the program;
YES _____ NO _____
 - matching funds and how they are used;
YES _____ NO _____
 - payments to outside contractors;
YES _____ NO _____

GEAR UP On-Site Monitoring Focus

- copy of procurement policies;
YES _____ NO _____
- other documentation to support and facilitate an effective audit?
YES _____ NO _____

12. Are GEAR UP Policy Issuances maintained such that they are readily accessible if needed?

YES _____ NO _____

II. Programmatic/General

1. Are you continuing to provide direct services to the cohort that started participating in GEAR UP during the 1st year (2000-2001) of funding?

YES _____ NO _____

State Comments:

2. Do your records differentiate between continuing (original) and new students?

YES _____ NO _____

State Comments:

3. Do you provide services to any additional students who are at the grade level of the students outside the cohort? If yes, how do you differentiate between GEAR UP and non- GEAR UP students in your records?

YES _____ NO _____

State Comments:

4. When the cohort transitioned from middle school to high school, have you continued to provide direct services to those students in the cohort that attend participating high schools?

YES _____ NO _____

State Comments:

GEAR UP On-Site Monitoring Focus

5. Do you have a system that consistently collects, analyzes, reports and maintains information on the elements related to the involvement and progress of GEAR UP students, parents and teachers?

YES _____ NO _____

State Comments:

6. Are activities for students, parents and staff implemented in accordance with the GEAR UP Plan you submitted for the current program year?

YES _____ NO _____

State Comments:

7. Do you provide staff development such as training and other in-service programs for teachers, tutors, guidance counselors and other school staff?

YES _____ NO _____

State Comments:

8. Do you provide information about higher education options, required academic courses and financial aid to participating students, parents and teachers?

YES _____ NO _____

State Comments:

9. Do you review class schedules of GEAR UP students transitioning or already in high school to assess for College Preparatory classes?

YES _____ NO _____

State Comments:

9. Do you provide assistance to students and parents on career planning and/or mentoring?

YES _____ NO _____

State Comments:

GEAR UP On-Site Monitoring Focus

10. Have students in the cohort shown an improvement in reading and mathematics test scores since participating in GEAR UP? If no, what are you doing to assist students increase scores? YES _____ NO _____

State Comments:

11. Have Grade Point Averages of students in the cohort increased since participating in GEAR UP activities? If no, what are you doing to assist students increase their GPA's? YES _____ NO _____

State Comments:

12. Do you maintain records of financial contributions and services provided by partners/contractors to your GEAR UP program? YES _____ NO _____

State Comments:

13. Are you partnering with College Day Programs? YES _____ NO _____

State Comments:

14. Do you have documentation to show how funds are used when partnering with College Day Programs? YES _____ NO _____

State Comments:

15. Do outside contractors provide services such as tutoring, mentoring and counseling for your program? YES _____ NO _____

State Comments:

State Office Use Only:

GEAR UP Michigan Staff Signature: _____

Date Completed: _____

On-Site Recommendations:

Exceeds Standards: _____

Meets Standards: _____

Below Standards: _____

Corrective Action Required: _____

Due Date for Corrective Action Plan: _____

State of Michigan
Department of Labor and Economic Growth
GEAR UP Michigan!
Fiscal On-Site Monitoring Focus

GEAR UP Program: _____ **Year:** _____

GEAR UP Contact Person: _____ **Phone#:** _____

Budget Office Contact Person: _____ **Phone#:** _____

Period of Review: September 1, 2001 to August 31, 2004 **Date of Visit:** _____

Please have the following materials available on the date established for your GEAR UP Program On-Site visit. As indicated below, some material will be reviewed on-site and returned to the program immediately, items identified for a hard copy may become part of the GEAR UP partner's state program file.

Institutions **MUST** have a hard copy of the following materials available for the State GEAR UP Michigan! representatives to keep if they so decide:

- Chart of Accounts
- School District/Institution Cost Allocation Methodology/Plan and how it is utilized for the GEAR UP Program
- School District/Institution Administrative Guidelines/Accounting Policies and Procedures
- Accounting Policies and Procedures that apply specifically to the GEAR UP Program that are not covered within the general school district/institution guidelines/procedures
- Cost Sharing/Match Methodology for this GEAR UP Program.
- A-133 Audit Reports for the past three years of GEAR UP grant.
- Copy of Procurement Policies.

The GEAR UP Program **MUST** have available for review the following materials:

- Copy of the current year state approved GEAR UP Program operational budget, which includes both state and required match dollars.
- Copy of the most recent school district/institution provided accounting statement indicating all activity for both state and match support on each line items of the budget
- Copy of the school district/institution's most recent accounting report indicating the match/cost share activity of the GEAR UP program.
- Copy of match documentation.

GEAR UP Fiscal On-Site Monitoring Focus

The school district/institution **MUST** have available for review Approved and Close-Out Operational GEAR UP Program budgets and support documentation for the following state fiscal years:

- Year 1: September 1, 2001 - August 31, 2002
- Year 2: September 1, 2002 - August 31, 2003
- Year 3: September 1, 2003 - August 31, 2004

Note:

Please be prepared to discuss and provide supporting documentation, where applicable, to the questions noted in both the **General Fiscal Questions** and the **GEAR UP-Related Fiscal Questions** sections noted below. Also, a representative from the school district/institution's Accounting and/or Contracts and Grants Office who is responsible for the fiscal management of the GEAR UP grant on behalf of the school district/institution must be available for the Fiscal portion of the GEAR UP On-Site Monitoring Visit.

General Fiscal Questions

1. What significant changes, if any, have there been in the school district/institution's accounting system? What impact has this had on the GEAR UP program?

GEAR UP Fiscal On-Site Monitoring Focus

2. What, if any, significant changes have occurred in either the staffing or the program direction and administration of the GEAR UP Program? What impact has this had on the accounting systems or fiscal monitoring of the GEAR UP Program?

3. Is the accounting for the school district/university centralized or decentralized - (i.e., Does the GEAR UP program have a staff person on-site to assist perform fiscal duties? If so, are these individuals required to have a degree or background in finance or accounting?

GEAR UP Fiscal On-Site Monitoring Focus

4. If a decentralized accounting system is utilized to what extent is it decentralized? Does the GEAR UP program enter their own transactions or do they just prepare the journal vouchers for entry by the central accounting office?

5. What input does the GEAR UP program have in setting up accounting coding for new programs?

6. What is done with transactions that are questionable (i.e., the accounting office either does not agree with how it was charged or does not understand what the program area was attempting to do)?

7. Results of review of records noted above:

We were provided the requested records. Our assessment of each of those records is as follows:

▪ **Chart of Accounts**

GEAR UP Fiscal On-Site Monitoring Focus

- **Cost Allocation Methodology/Plan**

- **Administrative Guidelines and Accounting Procedures**

- **Match/Cost Sharing Methodology**

GEAR UP-Related Fiscal Questions

1. Describe the process used to review and approve the budgets and accounting reports for the GEAR UP Programs?

GEAR UP Fiscal On-Site Monitoring Focus

2. How is the GEAR UP Program monitored/audited by the school district/institution?

3. How does the school district/institution apply cost sharing to the GEAR UP Program?

GEAR UP Fiscal On-Site Monitoring Focus

4. Describe how the school district/institution's accounting procedures provide for the separate accounting and tracking of federal funds from the state, school district/institution and other funding sources used to support this GEAR UP Program?

5. How are the personnel costs documented, accounted for and verified/audited? What type of documentation is used:
- Semi-annual employee/supervisor certification (for those that are charged 100% to a specific state or federally funded program)?
 - For those that are charged to several programs, how does the time-reporting system allow for and account for this?
 - What does the GEAR UP Program do to ensure compliance with these procedures.

GEAR UP Fiscal On-Site Monitoring Focus

6. Please describe the nature and extent of the on-going working relationship between the GEAR UP Program and the school district/institution's Accounting and/or Contracts & Grants Office responsible for the fiscal monitoring of the program on behalf of the school district/institution?

7. Describe the procedures used and frequency of reconciliations of GEAR UP Program fiscal records and reports with the school district/institutions accounting records? If performed, who performs them, (i.e., central accounting staff or program staff)?

GEAR UP Fiscal On-Site Monitoring Focus

8. Describe the procedures for documenting payments to outside contractors for services such as tutoring, mentoring and counseling, etc. rendered to GEAR UP students, parents and staff.

**Institution Summary/Evaluation of
GEAR UP Fiscal Review**

Fiscal On-Site Conclusion:

- _____ Program Implementation Meets Established State Guidelines
- _____ Program Implementation Requires Modifications as indicated in the attached document.
- _____ Program Implementation Significantly Different than Federal/State Policies: Redirection required per attachment.

Monitoring Completed

By: _____ Date: _____

Follow-Up Required: ☐ Yes ☐ No

Report Copies Forwarded To: _____
Date: _____



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

DAVID C. HOLLISTER
DIRECTOR

July 15, 2004

Name
Address

Dear

As scheduled, Michael Beamish and Sheree Price, GEAR UP Michigan! staff will visit your office on (Date).

The GEAR UP Michigan! staff will examine your school district/institution's program and fiscal records relating to the GEAR UP program. The following items should be available for review:

1. Project Administration and Finance records including program proposal, billing invoices and supporting documents, program expenditure reports, approved and amended budgets, vouchers, receipts and travel records.
2. Payroll and personnel records (for all paid and volunteer staff and faculty) and records that document time and payment from federal and/or matching funds.
3. Documents identifying type, names of faculty and hours of participation in professional development activities.
4. Program Operation Records:
 - a. Academic year and summer program calendars for each year of operation;
 - b. Schedule and location of all project's activities;
 - c. Attendance records for students, parents, and staff for all GEAR UP sponsored activities including signed parental permission slips for field trips;
 - d. Records of tutoring, counseling and any other services provided by the GEAR UP program, including but not limited to brief descriptions of each service, number of hours for each type of service provided, number and names of students and parents who received each service;
 - e. Surveys from students and parents regarding increased knowledge of postsecondary opportunities and financial aid opportunities;
 - f. Records of student's test scores from MEAP for each year operation providing information needed to apply for the GEAR UP Performance Incentive Award;

- g. A signed parental consent form which permits the release of student's school records and give permission for the student to participate in GEAR UP activities.
- 5. Individual student files that include relevant documentation to support participation in program and information provided in reports to United States Department of Education.

We look forward to meeting you and other staff who will be involved in the On-Site Visit. If you have questions, please feel free to contact Michael Beamish, Project Director at (517) 371-1608 or Sheree Price, State Coordinator at (517) 335-5846.

Sincerely,

James Folkening
Director
Postsecondary Services